



COUNTY OF LOS ANGELES

Public Health

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October 16, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND FIVE CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, and/or provide an internal reallocation of funds between budgets pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute four DMC amendments for the term of July 1, 2011 through June 30, 2014, and one DMC amendment for the term of July 1, 2011 through June 30, 2012, which include a rate adjustment for fiscal years (FYs) 2012-13 and 2013-14; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001775 with Transitional Ministry of Christ D.B.A. Helping Hands Recovery Center to increase the annual funding by \$32,960, increasing the annual obligation from \$127,040 to \$160,000, and the total maximum obligation from \$381,120 to \$480,000, to provide additional Outpatient Drug Free Services;
- 2) Agreement Number PH-001781 with West County Medical Corporation to increase the annual funding by \$74,940, increasing the annual obligation from \$414,431 to \$489,371, and the total maximum obligation from \$1,243,293 to \$1,468,113, to provide additional Narcotic Treatment Program Services;
- 3) Agreement Number PH-001787 with Atlantic Recovery Services to reallocate \$140,000 internally between budgets to provide Outpatient Drug Free Services based on the needs of the service area;

- 4) Agreement Number PH-001850 with Singleton Housing Project to increase the annual funding by \$68,000, increasing the annual obligation from \$435,000 to \$503,000, and the total maximum obligation from \$1,305,000 to \$1,509,000, to provide additional Day Care Habilitative Services; and
- 5) Agreement Number PH-001851 with Southern California Alcohol and Drug Programs, Inc. to reallocate \$500,000 internally for FY 2011-12 from Day Care Habilitative Services to provide additional Outpatient Drug Free Services based on the needs of the service area.

County Counsel has reviewed and approved the amendments as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:yl
#02385

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors